IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

TUESDAY, THE SEVENTH DAY OF DECEMBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE MR JUSTICE GOPALA KRISHNA TAMADA

WRIT PETITION NO : 1200 of 1998

Between:

Indrani Finance and Chit Funds Pvt.Ltd., rep. by its Managing Director, Mr.G.Surendra, S/o. Koteswara Rao, R/o. Himayathnagar, Hyderabad.

..... PETITIONER

AND

1 The Government of A.P., rep. by its Secretary, Revenue (Regn.II) Dept., Secretariat, Hyderabad.
2 The Director of Chits and Inspector, General of Registration & Stamps, A.P., Hyderabad.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue a Writ of Mandamus or any other appropriate writ order or direction declaring the Memo.No. 78348/Regn.II-2/91-92 dated 04/06/1992, issued by the 1st respondent Government and the consequential circular Memo No.CF/24005/91 dated 16/07/1992 as malafide, arbitrary, inoperative and illegal as violative of the provisions of the A.P.Chit Funds Act, 1971 and the Rules made thereunder and as violative of the fundamental rights of the petitioner guaranteed under Article-19(1)(g) of the Constitution of India and further directing the respondent authority not to insist the deletion of the relevant bye-laws providing for the procedure for meeting the expenditure in relation to and in managing and conducting the chit business of the Petitioner company.

For the Petitioner: MR.KRISHNA MOHAN SIKHARAM,Advocate
For the Respondent Nos 1 and 2 .: GP FOR REVENUE

The Court made the following :

ORAL ORDER

The petitioner, represented by its Managing Director, filed the present writ petition seeking a writ of Mandamus declaring the Memo No. 78348/Regn.II-/91, dated 4.6.1992 issued by the 1st respondent and the consequential circular Memo No. CF/24005/91, dated 16.7.1992 as malafide, arbitrary, inoperative and illegal and consequently for a direction to the respondents-authority not to insist the deletion of the relevant bye-laws providing for the procedure for meeting the expenditure in relation to and in managing and conducting the chit fund business of the petitioner-company.

Questioning the said circular, a batch of writ petitions were filed and a Division Bench of this Court in ***Margadarsi Chit Fund Pvt. Ltd. Hyderabad V-The State Government of Andhra Pradesh*** reported in held that deletion of bye-laws by the State Government by issuing administrative orders is without jurisdiction and, thus, quashed the Memo No. 78348/Regn.II-2/91-92, dated 4.6.1992.

In the light of the said judgment, this writ petition is to be allowed and accordingly the same is allowed. No costs.

7th December,2004

vp

That Rule Nisi has been made absolute as above.

Witness the Hon'ble Sri Devinder Gupta, the Chief Justice on this the seventh day of December, two thousand and four.

To

1. The Secretary, Revenue (Regd.II) Department, Govt. of A.P. Secretariat, Hyderabad,
2. The Director of Chits & Inspector General of Registration & Stamps, A.P. Hyderabad,
3. 2 C.Cs to Govt. for Revenue, High Court buildings, Hyderabad (OUT)
4. 2 C.D.copies.